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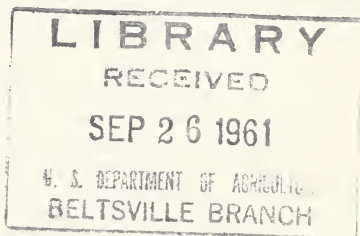
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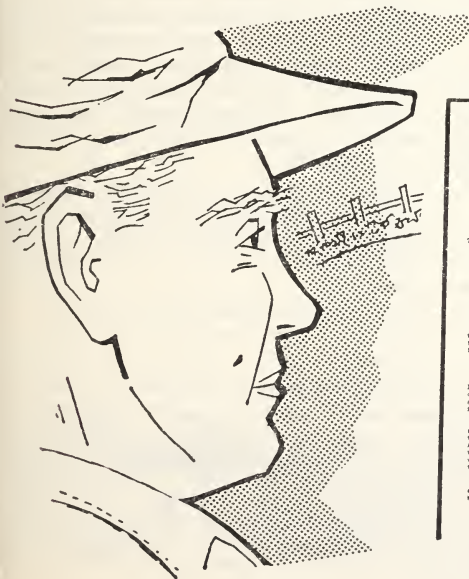


LET'S LOOK AT THE 1962 WHEAT PROGRAM

A 79.4 percent (preliminary) affirmative vote in the August 24th referendum brought the new Wheat Stabilization Program into effect for the 1962 crop.

The program, one of the major provisions of the Agricultural Act of 1961, has the following objectives:

- To increase farm income.
- To halt excessive buildup of supplies.
- To reduce Government storage costs.



Here it is!

The 1962 Wheat Program

WHEAT QUOTA VOTE... AUG. 24

This explanation covers --

- the wheat marketing quota referendum of Aug. 24, 1961.
- the wheat stabilization program, which provides payments for marketing wheat from 1961/62 to 1965/66.
- the wheat allotment for 1962.
- the wheat price-support program.

Since recently enacted legislation has provided a new wheat program for the 1962 wheat crop, you are urged to give this explanation your careful attention. The details on which you will be voting in the referendum are different from the previous wheat marketing quota referendum.

Payment in commercial wheat States will vote in a referendum on Aug. 24, 1961, to decide if such marketing quotas will be in effect for the 1962 wheat crop. This vote also will decide whether the special wheat stabilization program is available in 1962. At no other year, at least two-thirds of the farmers voting must approve the quotas if they are to be put into effect.

Eligible Voters. -- You are eligible to vote in the Aug. 24 wheat quota referendum if your farm is in the commercial wheat area and you produced more than 11.5 acres of wheat in at least one of the 3 years 1959, 1960, or 1961. Any producer who signed applications under the first wheat production permitting time to grow wheat for feed use in the fall for 1961 will not be eligible to vote. (The program permitting up to 30 acres of feed wheat production on the farm will still be in effect for 1962.)

For 1962, the maximum total wheat quota (those with all-quota of 75,000 acres or less are: Alaska, Colo., Fla., Hawaii, La., Maine, Mass., Nev., N. H., N. J., and N. Y.).

600

1962 Wheat Program—Continued

Program objectives would be achieved by a combination of higher price-support levels and reduced production.

Plans schedule the sign-up to begin in the winter wheat producing areas in mid-September. It will run for about 6 weeks.

Farmers who sign up and participate will be eligible for price support. The minimum national average for 1962 crop wheat is \$2 compared with \$1.79 for the 1961 crop.

A 10 percent cut in 1962 from the minimum national acreage allotment of 55 million acres is mandatory. This will reduce the allotments for the 1962 crop by 5½ million acres. The program affords wheat producers (in the designated commercial wheat producing States) an opportunity to earn payments for reducing their 1962 wheat acreage.

To be eligible for payment and price support, producers on farms that produced more than 15 acres of wheat must divert the land involved in the mandatory 10 percent allotment reduction to an approved conservation use.

Producers on farms that produced up to 15 acres of wheat in 1959, 1960, or 1961 may divert an acreage equal to 10 percent of the highest actual acreage of wheat that was planted for harvest in the above years.

The conservation payment will be equal to 45 percent of the 1961 basic county support rate for No. 1 wheat (adjusted to reflect any change in the 1962 rate) multiplied by the adjusted yield per acre for the farm, multiplied by the number of diverted acres.

Producers can earn further payments by reducing their wheat acreage up to an additional 30 percent of the farm wheat allotment or, for small farms

(farms with allotments of 13.5 acres or less), 30 percent of the smaller of (a) 13.5 acres or (b) the highest wheat acreage planted on the farm in 1959, 1960, or 1961.

The payment for this voluntary diversion would be based on 60 percent of the adjusted yield per acre. The formula would be 60 percent of the 1961 basic county support rate (adjusted to reflect any change in the 1962 rate), multiplied by the adjusted yield per acre for the farm, multiplied by the number of diverted acres.

The payment for diversion will be in cash, or in wheat (if available) at the option of the producer.

The new legislation makes a number of changes in the marketing quota penalty. On farms on which there is excess wheat acreage, the amount of wheat subject to penalty will be twice the normal yield of the excess acres; or if the producer can prove to the County ASC Committee that his actual yield is less than twice the normal yield, the computed excess for the farm will be reduced on the basis of the actual yield.

For 1962, the exemption from marketing quotas for those who planted not more than 15 acres during any one of the 3 years 1959, 1960, or 1961 will be reduced to 13.5 acres. For those who planted less than 13.5 acres during each of these years, the exemption will be the highest planted acreage during any one of the years. Producers who did not grow wheat during 1959, 1960, or 1961 will not be exempt from marketing penalties if they plant wheat in the 1962 crop year without an allotment.

The new program increases the penalty rate per bushel on farm marketing excess to 65 percent of May 1, 1962, parity price (instead of the former 45 percent).

(Continued on p. 12)

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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COTTON CARRYOVER MAY BE SMALLEST SINCE 1953

Disappearance of cotton in the United States during the 1961-62 marketing year probably will be about three-fourths of a million bales larger than production (about 13.8 million running bales). Consequently, the carryover of cotton on August 1, 1962, may be smaller than it was a year earlier, down to about 6.7 million bales. The 1962 carryover probably will be the smallest since 1953 and less than 50 percent of the record high of 14.5 million bales in 1956.

Exports of cotton from the United States in 1961-62 are expected to decline by about 850,000 bales from the 6.6 million of 1960-61. On the other hand, mill consumption of cotton in the United States may increase by about half a million bales from 1960-61—up to about 8¾ million. Total disappearance is expected to be around 14.5 million bales, roughly 300,000 bales smaller than disappearance in 1960-61. The 1961-62 disappearance is expected to equal disappearance during the past five marketing years.

Mill consumption of cotton in 1961-62 is expected to be around 8¾ million bales compared with approximately 8.2 million bales in 1960-61. The increase in mill consumption of cotton is indicated by increasing rates of mill consumption in recent months, lower ratios of stocks to unfilled orders for cotton broadwoven goods in the past several months, increasing values for cotton gray goods (average for 20 constructions) during the past several months, and smaller imports of cotton textiles during the first 6 months of 1961 than during the same months of 1960.

Exports in the 1961-62 season may be about 5¾ million bales compared with the 6.6 million in the preceding season. Exports of this magnitude will

be slightly below the average of exports per annum of the preceding 5 years.

Although the consumption of cotton in the foreign free world is expected to be close to the high level of 1960-61, production of cotton also is expected to be maintained at a high level, and stocks of cotton at the end of the marketing year are expected to be no larger than stocks at the beginning. In 1960-61, ending stocks of cotton in the foreign free world were about 600,000 bales larger than the beginning carryover.

United States Government financing of cotton exports during 1960-61 was about \$258,000,000 and covered about 1.9 million bales of cotton exports. Such financing includes Public Law 480 sales for local currency, Export-Import Bank loans, Mutual Security sales and grants and gifts. In addition to these finances about 100,000 bales of cotton were exported under barter arrangements.

It is too early to estimate the amount of cotton which will be exported under Government financing in 1961-62. However, about \$163,000,000 covering about 1.1 million bales was available for such financing as of August 16, 1961. Additional financing may be forthcoming as the season progresses.

Production of cotton in the United States during the 1960-61 marketing year is estimated at about 13.8 million running bales as of August 1. This compares with production in 1960-61 of about 14.3 million bales. The 1959 crop was about 14.5 million bales. The 1961 crop is being produced on about 15.7 million harvested acres and the yield per harvested acre was estimated at 427 pounds.

The 1961 yield is the smallest of the past 4 years.

Frank Lowenstein
Economic Research Service



FOREIGN TRADE IN VEGETABLES IS EXPANDING

Foreign trade in vegetables represents a relatively small portion of the United States production and use of these commodities, but this trade is very important to growers in certain areas of the country and in certain seasons of the year. The 1959-60 exports of all vegetables set a new record of \$108 million, and imports also set a new record of \$82 million. Fresh vegetables make up about 49 percent of the value of all vegetable exports, canned about 47 percent, and frozen 4 percent.

Canada is the most important market for United States vegetables, and both United States and Canadian growers consider each country a part of their normal market. The Canadian production season is short, which affords good opportunity for trade in United States winter and spring vegetables.

Cuba, prior to the Castro regime, was the second largest market for United States vegetables.

Mexico eventually may become a large market, particularly in the summer months, when it cannot produce several vegetables because of extremely high temperature. At the present time, however, the United States does not have a trade agreement with Mexico, and there are many trade barriers.

The *Caribbean, Middle American countries, and Venezuela* are important markets for some fresh vegetables and for a few processed items. However, substantial increases in trade to these countries depend, among other things, on their economic development.

Fresh Vegetables

During 1959-60 a fairly typical season, United States exports of fresh vegetables, potatoes, and melons totaled 1,262 million pounds. Over 90 percent of United States exports of green beans, cabbage, carrots, celery, lettuce, green peppers, tomatoes, and melons went to Canada. Canada and Cuba each took about a third of the onions, with Mexico and Jamaica the next largest markets.

The volume of fresh vegetable, potato, and melon imports of 847 million

pounds is typically smaller than exports. The bulk of United States imports are from Mexico, the Caribbean area, and Canada. Although the season for these vegetables is mostly from mid-November through June, the peak entries are from late December through April, with tomatoes presently the largest volume item. The second largest imported vegetable item is rutabagas from Canada.

Onion imports are fairly large, but for the most part they are specialty types. Red onions are imported from Italy, white onions from Mexico, and large-sized, sweet Spanish-type onions from Chile.

The United States regularly imports about half the garlic Americans consume. The principal supplying countries are Mexico, Italy, and Chile. During the past decade melon imports have expanded rapidly. Imports of both cantaloups and watermelons increased more than sevenfold. Practically all of the cantaloup and watermelon imports are from Mexico.

Processed Vegetables

During the past decade, frozen vegetable exports increased almost sixfold, but volume is still relatively small, at 26.5 million pounds during 1959-60. Until recently, nearly all frozen vegetable exports went to Canada; however, since liberalization of trade in the United Kingdom, there has been a substantial increase in shipments to that market.

Canned vegetables are exported to more than 50 countries, but the bulk of the tonnage (198 million pounds in 1959-60) goes to relatively few of them. Canada is the largest single market, taking about a fourth of our total exports.

Asparagus and tomato juice are the two largest volume items, with annual exports of each usually amounting to more than a million cases.

A. Clinton Cook
Foreign Agricultural Service

OUTLOOK



Soybeans

Indications on August 1 point to a record soybean crop in 1961 of 683 million bushels, up 124 million from the previous year. Crushings and exports are also likely to set records during 1961-62 taking a good part of the expected increase provided by the 1961 crop, but still leaving end-of-year carryover (September 30, 1962) up sharply from the year before.

Soybean prices to farmers are expected to average close to the \$2.30 per bushel support rate during most of this fall's heavy harvest. Last fall, when the support was \$1.85, prices received by farmers averaged about \$2 per bushel.

Cotton

The 1961 cotton crop, according to August 1 prospects, is estimated at about 13.8 million running bales, about 400,000 bales below last year. (See the story on page 3.)



Sheep

Lamb slaughter supplies the rest of this year will come largely from the major producing areas of the North and West. The 1961 lamb crop in these areas was about the same size as in 1960. Continued dry weather would probably lead to larger marketings the rest of this year than last, but the margin over a year before will likely

be small. The seasonal price decline this year is expected to be smaller than usual and less than the \$2.30 decline in July-November last year. (See item on page 12.)

Hogs

With hog slaughter this fall coming from the 7 percent larger spring pig crop than a year earlier, prices this fall are likely to average below last fall.



Feed

Total feed concentrate supply in 1961-62 is expected to be about 246 million tons, 5 percent less than 1960-61 and the first dip in supplies since 1952. Prospects also are for total feed grain use to exceed production, resulting in some withdrawal of grain from this year's record carryover of 85 million tons. The brighter outlook for feed grains is largely due to reduced corn and sorghum acreages through farmers' participation in the 1961 feed grain program.

Wheat

Total wheat supply for the 1961-62 marketing year is estimated at 2.6 billion bushels, slightly below the record of last year. Estimates for domestic disappearance are about 595 million bushels, also slightly below last year. Exports at 675 million are expected—a little above the 1960-61 record of 662

OUTLOOK



OUTLOOK—Continued

million bushels. Prospective carryover on July 1, 1962, of about 1.35 billion bushels, would be slightly below the 1961 carryover and the first decline in stocks since 1958. (See the cover story.)

Potatoes

First production estimates for fall potatoes indicate a crop of 190 million hundredweight, 8 percent higher than last year's large crop.



Cattle

A rather modest gain in cattle and calves is anticipated this year, probably about 1 million more than the record 97.1 million head that were in inventories on January 1, 1961.

Vegetables

Supplies of fresh vegetables, excluding melons, are expected to be moderately smaller late this summer than a year earlier. First production estimates indicate about the same early fall cabbage and carrots as last year but substantially more celery. (See the story on vegetable acreage marketing guides on page 13. Also see Recent USDA Publications on page 12.)

Dairy

Cash receipts to farmers from sale of milk and farm separated cream in January–July 1961 ran about 3 to 4 percent ahead of a year ago. About half of the increase was due to higher milk prices; the rest, primarily to larger milk production and farmers' shift to selling whole milk. For all of 1961,

cash receipts will probably exceed those of 1960 by around 3 or 4 percent.



Eggs

The mid-August United States average egg price was 35 cents per dozen, almost 1 cent above the month before and slightly above the year before.

Broilers

Broiler slaughter continues heavy. Marketings from late August to about mid-November will be up 10 percent from last year. The United States average broiler price in mid-August was 13 cents compared with 16.6 cents last August.

Turkeys

Turkey supplies are up, and prices low. The 1961 turkey crop will reflect the 27 percent increase from last year in January–June turkey hatchings; slaughter to date in 1961 has been 60 percent above last year, and August 1 storage holdings were 135 million pounds, compared with 70 million the year before.



Tobacco

The estimate for the 1961 flue-cured crop, as of August 1, was 1,240 million pounds—11 million below last year's crop. The 1961–62 total supply—production plus carryover—is expected to be about 1 percent lower than 1960–61.

Since World War II

THE TREND IS UP FOR
POULTRY CONSUMPTION

Since 1948 per capita consumption of poultry has increased nearly every year.

The reason has been the almost continuously increasing flow of poultry from the farms that produce broilers and turkeys. They have expanded production and improved quality. Meanwhile, because of the large supplies, prices have declined almost every year since 1952.

For 1961, consumption of poultry per person will average about 37 pounds (ready-to-cook weight). This is up from last year's 35 pounds per person. It compares with a wartime peak of 25.7 pounds (in 1943) and postwar lows of less than 22 pounds in 1947 and 1948.

During World War II demand for poultry meat increased sharply because of shortages of red meats and rising consumer incomes. At the same time extensive improvements in production

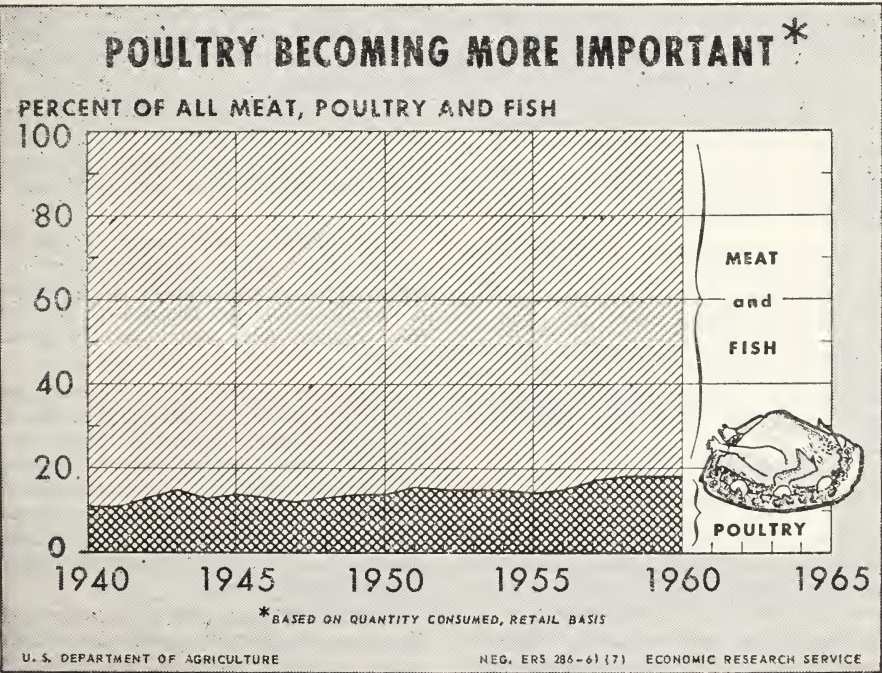
methods and the short growing cycle enabled farmers to increase production rapidly.

The higher level of poultry production and consumption during the war served as a base for further increases after the war. Temporary declines in production occurred, however, in 1946-47.

The upsurge in commercial broiler production has been the greatest factor in increasing the supply of poultry meat. Turkey production has also increased markedly, but it remains a much smaller proportion of total output than broilers.

Gains in the production of broilers have occurred at the expense of "farm chickens," the byproduct fowl and cockerels produced incidental to egg production.

(Continued on p. 14)



HAWAIIAN AGRICULTURE

BUILT ON SUGAR AND PINEAPPLES

Hawaii has two main kinds of crops—plantation crops and diversified crops. There are approximately 35 plantation units in Hawaii and over 5,000 farms and ranches.

The plantation crops—sugar and pineapples—are the foundation of the State's agriculture. They account for over 80 percent of the total agricultural income. The main diversified products are livestock, coffee, vegetables, and fruits.

Sugar and pineapples are the main exports. Other important agricultural exports are coffee, tropical fruits, macadamia nuts, and floral products.

Hawaii imports many farm products that could be produced in the State—chiefly because farmers find it more profitable to specialize in other crops.

Transportation A Problem

Farmers on islands other than Oahu—the island on which Honolulu is located—have hesitated to increase production for the Honolulu market because of the lack of fast economical transportation among the islands.

The chain of seven main islands that make up the State of Hawaii extends over 390 miles. The islands are separated by channels that vary from 8 to 72 miles in width. Oahu, in a central position in the chain, has 80 percent of the State's population.

Hawaii is subtropical. Rainfall varies greatly, and windward parts of the islands and higher sections (except for those over 5,000 feet) are generally moist. The land is primarily volcanic in origin and much of it is mountainous and rough. When managed properly the cultivated lands are very productive.

Plantation Crops

Sugar has been Hawaii's leading commodity for many years. The State supplies about one-fifth of the sugar produced in the United States.

Since 1952, the value of Hawaii's sugar products for most years has been

about \$150 million. This figure represents the value of sugar produced by 27 plantations and by 1,200 independent cane growers who market their sugar through plantation-owned facilities.

Pineapple is Hawaii's second ranking agricultural commodity. The State now produces about two-thirds of the world supply. Large plantation units operated by seven major companies produce most of the State's pineapple.

Both sugar and pineapple have had increasing competition in recent years. The sugar competition comes from beet sugar produced in the Western States. The pineapple competition comes from other fruits at home and from other pineapple-producing countries—Formosa, Malaya, Australia, the Philippines, and South Africa.

Diversified Crops

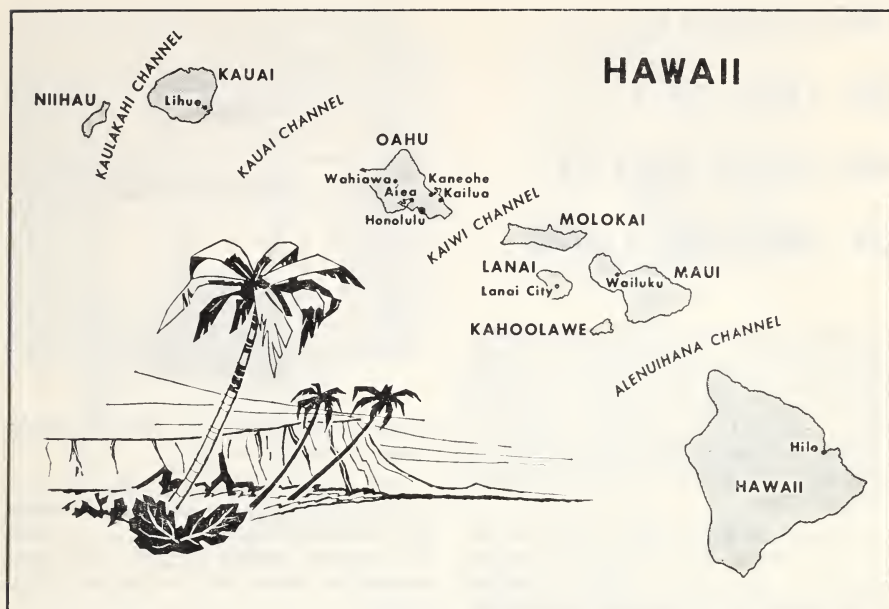
Of the diversified crops, livestock products account for three times as much income as all others. However, the State is on an import basis for all meat. Only hides, wool, and honey are shipped out. Production of livestock is limited by a shortage of feed concentrates.

Beef.—More than 350 farms in Hawaii produce beef in commercial quantities. Value of marketings averages about \$9.0 million to \$9.5 million a year.

Milk.—Milk is produced on about 80 dairy farms. The dairy industry is concentrated on the island of Oahu and is largely a dry lot operation. Butter and cheese are not manufactured locally.

Hogs.—Hog production has been reasonably stable over the last 10 years, but the number of swine farms has declined more than 40 percent. Most Island pork is sold fresh and commands a premium price. Fresh pork is preferred for preparation of certain oriental dishes and for use at luaus (native feasts).

Poultry.—Production of poultry and eggs has expanded rapidly in recent years. Locally produced poultry and



poultry products still command higher prices than the same items shipped in, but the price spread is narrowing constantly. Today 80 percent of the eggs are supplied by local producers.

There is still little of the vertical integration of poultry production and marketing that prevails in most other parts of the United States.

Coffee.—Other than livestock, coffee is the single most important crop in the diversified group. The relatively low return for coffee is a result of depressed coffee prices on the world market.

Vegetables and melons.—About half of the vegetables and melons consumed in Hawaii are produced there. Vegetable growers in Hawaii operate small units and the marketing system is not geared to the handling of large quantities. Growers are wary of oversupplying the Honolulu market, which consists of fewer people than live in one moderate-size city (pop. $\frac{1}{2}$ million) on the mainland of the United States.

Fruits.—Commercial production is concentrated on a few crops. Papayas and bananas make up almost 90 percent of the value of fruit crops. Avocados, oranges, and tangerines account for most of the remainder.

Other products.—Taro, macadamia nuts, and rice are among the other crops of commercial importance in the State.

Poi, which was at one time the staple food of the Hawaiians, is manufactured from taro. Poi is still used extensively by some of the State's residents.

The macadamia nut has generally been considered a gourmet item. Research has shown that a market for macadamias exists if the product is promoted properly and the retail price reduced.

Rice was at one time a principal farm crop but today there are fewer than 20 rice growers in the State.

C. W. Peters
University of Hawaii

1961 Wool Clip

Wool shorn and to be shorn in 1961 is estimated at 263,591,000 pounds (grease basis). This production would be 1 percent below that of 1960 but 11 percent higher than the 1950-59 average.

The average weight of fleece of sheep shorn and to be shorn is estimated at 8.52 pounds this year, compared with 8.55 pounds last year and the 10-year average of 8.40.

HIGHLIGHTS

OF THE 1961

BALANCE SHEET

OF AGRICULTURE

During 1960, the value of farm assets rose from about \$204.8 billion to about \$206.1 billion. Land values continued to rise in all regions except the Corn Belt. At \$11,700 million, the net realized income of farm operators from farming was about 4 percent higher than in 1959.

Opposed to these gains were an increase in farm debts that equaled the increase in farm asset values; a decline in farm-mortgage debt repayments accompanied by an increase in renewals of non-real-estate farm debts; and a drop in the liquid financial assets of farmers.

Despite the higher income in 1960, indications are that farmers were in a tighter cash position than in 1959. The Federal Reserve estimates of farmer-owned demand deposits not only show a decline in such deposits but indicate that nearly 260,000 fewer farmers had checking accounts early in 1961 than a year earlier.

There are also indications that a larger number of farmers had difficulty in financing their operations in 1960 than in other recent years.

The tighter cash position of farmers and their greater difficulty in obtaining financing are interrelated, since farmers use credit to maintain their bank accounts as well as to buy goods and services.

A possible reason for the tighter situation in 1960 is suggested by reports of lending institutions that a growing number of farmers have built up their debts to such levels that lenders are reluctant to extend additional credit. Moreover, because of the decline in the number of farmers who have checking accounts, it seems probable that the



financial pressures on smaller farms became heavier in 1960.

The principal reason for the increase in the value of farm assets in 1960 was the continued rise in the price of farm real estate. Early in 1961, this asset reached a record high value of \$136.5 billion.

Farm assets other than real estate that increased in 1960 included crop inventories, household furnishings and equipment, and investment in farmer cooperatives. The increases in the value of these assets were small. Depreciation exceeded farm expenditures for motor vehicles and machinery in 1960.

During 1960, farm debt rose from \$24.1 billion to \$25.4 billion. Most of the increase was in farm-mortgage loans. Part of the rise of \$800 million in farm-mortgage debt was caused by a decline in payments on mortgage loans. Price-support loans of the Commodity Credit Corporation increased by about \$100 million, and other non-real-estate loans to farmers increased by about \$400 million.

Despite the increases in farm debt during recent years, proprietor's equities on January 1, 1961, amounted to about \$181 billion, or nearly 88 percent of the value of farm assets.

As reflected by valuations in 1940 prices, the physical quantity of farm assets at the beginning of 1961 showed little change—possibly a slight decline—from a year earlier.

Fred L. Garlock
Economic Research Service

FARM INCOME

ADVANCES IN 1961



The almost 4 percent rise in farmer's cash receipts in the first half of 1961, coupled with increased Government payments and relatively little change in production expenses, resulted in an estimated annual rate of nearly \$12.6 billion in realized net farm income through June. This was 12 percent more than the rate in the first half of 1960 and about 7 percent above the rate for all of 1960.

January-June 1961

During January-June 1961, prices received for all farm products averaged almost 1 percent above January-June 1960, and the volume of farm marketings was estimated 3 percent larger. Cash returns from crop marketings and livestock and livestock products also were higher than in the first half of 1960. However, price declines for cattle and poultry and a decreased rate of crop marketings in the second quarter of this year depressed receipts for the first 6 months.

This year farm income has been bolstered by advance payments to participants in the 1961 feed grain program. Total payments, for diverting land from corn and sorghum grains to soil conserving uses, could exceed \$700 million in 1961.



Production expenses of farm operators are estimated to be slightly higher this year than the \$26.4 billion estimated in 1960. Cost rates, in the main, have been holding fairly stable, but interest charges and property taxes are expected to rise again this year, as in recent years.

What's Ahead?

For all of 1961, gross income realized from farming is still expected to total almost \$1.5 billion above 1960 despite a greater cut in 1961 crop output than expected earlier. Big carryover stocks of many commodities will maintain a high level of crop marketings in 1961 and marketings of livestock and livestock products will likely be record high. Crop prices are likely to average higher than last year while livestock prices may be somewhat weaker. Government payments will be about double those of last year.

Some increase in farm production expenses would offset part of the anticipated increase in gross receipts. But at this writing it appears that realized net farm income (a measure of the amount farmers have left to spend on family living or investment after allowing for production expenses) may be up about 7 percent over the \$11.7 billion estimated in 1960.

Mardy Myers
Albert R. Kendall
Economic Research Service

The Farmer's Share

The farmer's share of the consumer's food dollar was 37 cents in June 1961, the same as it was in May. In June 1960 the farmer's share was 38 cents.



MORE LAMBS THIS YEAR

This year's lamb crop of 21,532,000 head is 1 percent larger than last year's, and 10 percent above the 1950-59 average.

Biggest increases were in the States that supply two-thirds of this country's lambs—the 13 Western sheep States (11 Western States plus South Dakota and Texas). The increase in these States was 2 percent over last year and 14 percent above average.

Texas, which produced more than 15 percent of the Nation's lambs this year, had 18 percent more lambs than average.

In the remaining 35 native sheep States (all the rest except Alaska and Hawaii) the crop was 2 percent smaller than last year, but 2 percent above average.

1962 Wheat Program—Continued

Durum wheat—The Secretary has the authority to increase the durum acreage allotments if he finds that the wheat acreage allotments of farms producing durum are inadequate to satisfy demand. Any allotment increases would be in addition to national, State, and county allotments and would be by a uniform percentage. These increases would not be considered in establishing future allotments in any of the years 1962, 1963, or 1964. Growers and millers of durum will be given the opportunity to present their views and recommendations before such a determination is made.

Farms for which increases may be made must have produced durum for commercial food products during one or more of the 5 years 1957-61. Any farm on which the allotment is increased for durum may not participate in the 1962 wheat diversion program.

Robert Post
Economic Research Service.

Recent USDA Publications

The Fruit and Vegetable Grower and PACA, AMS Pamphlet 451

The Perishable Agricultural Commodities Act is designed to encourage fair trading practices in the marketing of fruits and vegetables. The PAC Act regulations set up a code of good trading practices and provide a means of refereeing contract disputes.

This pamphlet, just released by the Agricultural Marketing Service, gives the grower a quick, complete summary of how today's PAC Act serves and protects him.

The pamphlet covers the following topics:

- Licenses Are Key to PACA Enforcement.
- What Does the PACA Mean to You as a Grower?
- Grower's Rights Under PACA.
- Grower's Responsibilities.
- How to File a Complaint Under PACA.
- Your Records Can Help Guarantee Your Rights.

You may obtain a free copy of this publication by writing to the editor, Agricultural Situation, Division of Information, MOS, USDA, Washington 25, D.C.

Popcorn Prospects

A big popcorn harvest is in the making. Present indications are that this year's harvest will be approximately 202,000 acres—nearly 30 percent more than in 1960.

The most spectacular increase in popcorn acreage is in Iowa—35,000 acres this year compared with 18,000 acres in 1960.

Iowa's expected acreage is second only to Indiana's expected 37,000 acres.

Crop prospects as of August 1 this year were good to excellent in most areas. They are particularly bright in Iowa, Illinois, Indiana, and the Kentucky-Tennessee area and at least normal in all other areas.

Vegetables—Potatoes

1962 ACREAGE MARKETING GUIDES

USDA Acreage Marketing Guides recommend that growers cut total winter vegetable acreage 8 percent from 1961, if vegetable supplies are to be balanced with market needs in the 1962 winter season. Potato growers are advised to cut overall plantings by 3 percent.

- Lets look more closely at some of the recommendations. First a few that call for acreage decreases.

Cabbage: Supplies were excessive last winter and were priced very low. A 20 percent cut in Texas and Florida and a 10 percent cut in California and Arizona are advisable this winter.

Escarole: Winter production was a little above market requirements in 1961. Experts say a 5 percent cut this winter would be a good idea.

Lettuce: The usual lettuce surplus occurred in 1961. This year a 15 percent acreage cut is recommended for California, Arizona, and Texas, with plantings the same as last year in Florida.

Green Peppers: Last winter's crop was record sized. Growers would be wise to aim for a smaller crop in 1962 by reducing acreage 5 percent.

Potatoes: 1961 production was substantially larger than the small 1960 crop. Most of the increase came in California. This winter storage stocks will give more competition, particularly in the West. So USDA recommends that California growers cut acreage 5 percent from last winter. Eastern markets should take the production of a Florida acreage equal to last year.

Tomatoes: Heavy yields and a large acreage turned out a record crop last winter. A much smaller crop would be plenty in 1962. A 10 percent cut in acreage is suggested.

- Some recommendations call for acreages equal to last year.

Snap Beans: Acreage equal to 1961 would be adequate for supplying fresh market needs.

Carrots: Growers cut acreage in 1961 following the bad 1960 season and were rewarded with attractive prices. Experts recommend that growers hold the line this winter and plant the same acreage.

Celery: Average yields on an equal acreage would provide a smaller supply in 1962. The 1961 crop was a little too large to move at favorable prices.

Sweet Corn: A big 40 percent increase is suggested. There is a market for a substantially larger supply.

Spinach: Growers in California and South Carolina should plant an acreage the same as last winter. A 5 percent increase is favored in Texas.

Other specific acreage recommendations are a 15 percent increase for cucumbers, a 10 percent increase for beets, no change for cauliflower, kale, and shallots, and a 10 percent cut for broccoli.

These guides are based on an analysis of the market for vegetables. The guides are proposed by specialists who follow the market for commodities closely throughout the year.

Only the highlights of the USDA recommendations are presented here. To get more details you will probably want to get your own copy of the *Acreage-Marketing Guides*. Your local Extension agent will have these booklets available, or drop a card for a free copy to *Agricultural Situation, MOS, USDA, Washington 25, D.C.*

Charles R. Brader
Fruit and Vegetable Division, AMS



Peanuts Used At A Record Rate

During June, 68 million pounds of peanuts (raw weight basis) were used in edible products (mostly peanut butter, peanut candy, and salted peanuts).

This use was the largest of record for June and brought the total for the first 11 months of the current season up to 731 million pounds, another record.

During June, 172,000 pounds of shelled peanuts were processed under ASCS contract for Food Distribution programs, bringing the season's total since August 1, 1960 to 21.5 million pounds.

Mills crushed about 27 million pounds of shelled goods for oil and meal during June, bringing the total for this season to 234.7 million pounds.

Farmers' stock milled during June, exclusive of seed, totaled 49 million pounds, bringing the total for the season—August 1 through June 30 to 1,548 million pounds. Millings during the first 11 months of the previous season totaled 1,428 million pounds.

On August 1, according to the Crop Reporting Board, 1961 peanut production was expected to be 5 percent less than last year but 8 percent above average.

Cow Numbers Down



Milk cow numbers were down again this June, as they have been for 15 out of the past 16 years. The June 1961 estimate of 17.4 million milk cows on farms was the smallest since records began in 1930 (there were 22.2 million in June 1930).

The decline of milk cow numbers from June 1960 to June 1961, however, was the smallest drop since 1954.

Although the trend toward larger commercialized dairy herds continues, the gain in herd size since last June did not offset losses resulting from the decrease in the number of farms with milking herds.

Poultry—Continued

Today broilers supply over 24 of the 30 pounds of chicken consumed per person each year. Turkeys have provided about 6¾ pounds of meat a year per person in recent years, but more will be available this year.

Broilers and turkeys are grown in large flocks and on few farms. The 1959 Census of Agriculture reported that fewer than 50,000 farmers sold broilers and that 3,000 farms grew four-fifths of the turkeys.

Large-scale "integrated" production has helped to bring a remarkably standardized product to market.

Most of today's poultry is marketed ready to cook. The trend to ready to cook preparation was well begun even before 1959, when mandatory inspection of poultry in interstate commerce gave it further impetus.

Most poultry is distributed through large-volume retailers—mainly chain food stores.

Broilers are produced at a relatively uniform rate the year round. Most are marketed fresh chilled. Typically, they are retailed a week or less after slaughter. Iced fresh broiler-fryers are high volume sellers, and the farm-to-retail markup is lower than for most other poultry items.

Turkeys are usually frozen for sale. Freezing is necessary to close the gap between time of peak production and peak consumption and to preserve heavy birds for year-round use in hotels and restaurants.

The month of greatest turkey slaughter is October; but half of the annual consumption occurs in November and December.

Some small turkeys intended for household use are produced the year round. These include Beltsville Small Whites and immature birds of the heavy white-feathered varieties.

Turkey is also being sold in increasing quantities for use in products that require further processing—such as frozen dinners.

Hens are the third largest class of poultry, but supply a declining percentage of the chicken we eat.

"Bert" Newell's

Letter

Uncle Pete, you remember, was the one with the stub he called a sixth finger on one hand. He always plowed the garden and did most of the planting. He took considerable pride in his work and had very definite ideas about how things ought to be done.

Once Father told him to get the potatoes planted. He hung his head, sort of scratched the ground with one foot, and said "Cap'n ain't no time to plant p'taters. The moon won't be right till next week." Father told him he didn't think the moon would know the difference and go ahead and get the job done.

That old rascal dawdled around for a whole week, and, when Father jumped him about it, you never heard such a string of excuses—the plow point broke, the harrow needed fixing, the lower side was too wet, and I don't know what else. Uncle Pete was a specialist, and he wasn't going to take any chances on not having potatoes.

There are a lot of these old ideas or superstitions or whatever you want to call them still going around. Recently I ran into a man, he wasn't so old either, who was the local "water witch," or "dowser," as they are called in some places. He claimed a willow branch was the best, but I understand others swear by a branch from a peach tree.

Of course, nowadays we have much more scientific methods for arriving at conclusions and doing almost everything. Sometimes the specialists get so specialized they can't agree with each other, and in fact, just recently I heard one fellow who ended up not agreeing with himself.

Now, I'm not criticizing the highly trained specialist or technician because, after all, we consider ourselves specialists in our job of estimating and forecasting crop production. We need and have to employ to the fullest all of the scientific tools of the technical statistician, but covering as wide an area as

we do and making estimates on as many commodities, we frequently find that there is not just one technique or method that fits every situation.

Our men here in Washington and the men in charge of the field or State offices are all well trained and widely experienced in all phases of agriculture. A good part of their job is to select the best method to use to fit a particular situation or requirement.

One of the strong features of this service lies in the fact that it is widely decentralized. The man in charge of a particular State knows his area intimately. Most often he works in co-operation with his State department of agriculture, is in close touch with the agricultural college, knows the business people in his State, and, most of all, is in frequent contact with the farmers and ranchers who know their farms and localities best.

I was telling a highly trained meteorologist once about a farmer I knew who could beat him, hands down, on forecasting weather in his locality. He said that didn't surprise him a bit because an intelligent observer who had lived in a community for some time could frequently do a better job for a limited area than they could.

We, in Agricultural Estimates, try to capitalize on this same principle. While we make extensive use of the technical statistical tools on a wide area, we also depend heavily upon the expert knowledge of our cooperative reporters and the broad and intimate knowledge of the State statisticians to interpret that information for their own States.

Well, Uncle Pete got his crop of potatoes, but he usually did, and I don't know whether the moon had anything to do with it or not. All I do know is that I am powerfully glad we don't have to depend on his or the water witch's kind of science in providing crop, livestock, price, and all the other kinds of reports that we have to get out in the course of a year.



S. R. Newell
Chairman, Crop Reporting Board, SRS



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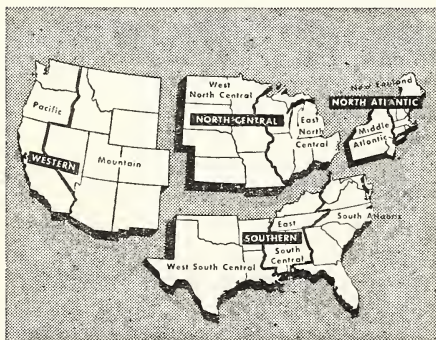
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In This Issue

	Page
Let's Look At The 1962 Wheat Program -----	1
Cotton Carryover May Be Smallest Since 1953 -----	3
Foreign Trade in Vegetables Is Expanding -----	4
Outlook -----	5
The Trend Is Up for Poultry Consumption -----	7
Hawaiian Agriculture -----	8
1961 Wool Clip -----	9
The 1961 Balance Sheet of Agriculture -----	10
Farm Income Advances in 1961 -----	11
The Farmer's Share -----	11
More Lambs This Year -----	12
Recent USDA Publications -----	12
Popcorn Prospects -----	12
1962 Acreage Marketing Guides -----	13
Peanuts Used at Record Rate -----	14
Cow Numbers Down -----	14
"Bert" Newell's Letter -----	15

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